

## MEMORANDUM

**To:** The Honorable Carrie M. Austin  
Chairman, Committee on the Budget and Government Operations

**From:** Joe Ferguson  
Inspector General  
Office of Inspector General

**CC:** Maria Guerra  
Mayor's Office of Legislative Counsel and Government Affairs

**Date:** 10/24/2012

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 30

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Cardenas asked for the number of internal investigations of IGO employees. That information follows below:

2006-1  
2007-1  
2008-4  
2009-1  
2010-2  
2011-1  
2012-0

As always, please let me know if you have any further questions.

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Mayor's Office of Legislative Counsel and Government Affairs

**Date:** 10/24/2012

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 31

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Moreno requested information regarding the average and median time it takes to investigate administrative and criminal cases.

2010 (Average)  
Administrative—504 days  
Criminal—1202 days

2011 (Median)  
Administrative—275 days  
Criminal—1488 days

2010 (Median)  
Administrative—378 days  
Criminal--1301

2012 (YTD) (Average)  
Administrative—392 days\*  
Criminal—2344 days (1 case only)

2011 (Average)  
Administrative—366 days  
Criminal—1322 days

2012 (YTD) (Median)  
Administrative—288 days  
Criminal—2334 days (1 case only)

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**Date:** 10/24/2012

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 32

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Dowell asked for a copy of the Inspector General's organization chart, including a break-down of IGO employees by race and gender. It is attached

As always, please let me know if you have any further questions.

# INSPECTOR GENERAL'S OFFICE

## ORGANIZATIONAL CHART

740 North Sedgwick, Suite 200

Chicago, Illinois, 60654

Office: 773-478-7799 Fax: 773-478-3949

[www.chicagoinspectorgeneral.org](http://www.chicagoinspectorgeneral.org)

### EXECUTIVE

**INSPECTOR GENERAL**  
Male/White

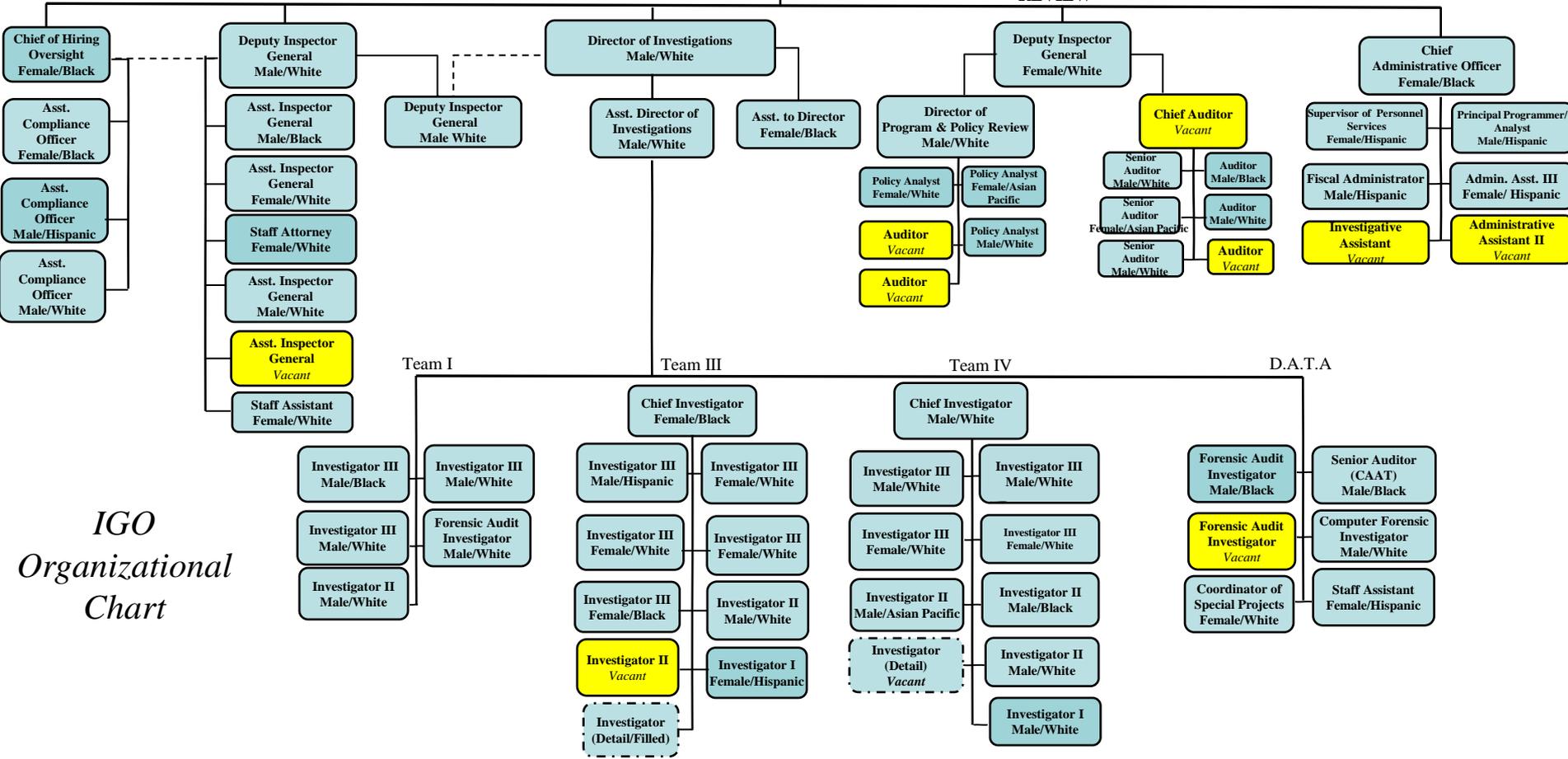
Admin. Assistant  
Male/White

### LEGAL and HIRING OVERSIGHT

### INVESTIGATIVE

### AUDIT & PROGRAM REVIEW

### ADMINISTRATIVE



*IGO*  
*Organizational*  
*Chart*

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**Red ID:** 33

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Hairston requested information regarding the a list of resources the IGO has used to recruit new hires.

In the past year, the IGO has used resources from the following job listings, affinity groups, professional development groups, and alumni networks to recruit new hires.

- Twitter
- LinkedIn
- YNPN ([www.ynpnchicago.org](http://www.ynpnchicago.org))
- Careers in Non-Profits
- Job Central/Vets Central
- Gray Hair Management (GHM)
- Right Management
- Scott M.R. Baker listserv
- GovLoop.com
- Association of Certified Fraud Examiners (ACFE)
- Association of Local Government Auditors (ALGA)
- IL CPA Society
- PSLawNet
- National Association of State Auditors, Comptrollers, Treasurers
- Women in Public Finance (<http://wpfc.com/>)
- Chicago Urban League
- Cook County Bar Association
- Black Women Lawyers
- Humboldt Park Portal
- IL CPA Society
- National Association of African Americans in Human Resources
- 100 Black Men of Chicago
- National Association of Black Journalists
- National Association of Black Accountants, Division of Firms
- National Black MBA Association

- Pilsen Portal (pilsenportal.org)
- Latpro (latpro.com)
- HACE
- Women of Color
- IAVA
- Wounded Warrior Project
- Warriors to Work
- MOAA
- Military Connection.com
- Vetsuccess.gov
- Military Order of the Purple Heart
- American Legion
- DAV
- [www.jofdav.com](http://www.jofdav.com)
- VFW
- Student Veterans of America
- Hire Heroes USA
- Central State University – Ohio
- Chicago State
- DePaul University
- DeVry
- Eastern Illinois
- Indiana University
- Illinois
- IIT
- Iowa
- Lewis College of Business – Detroit, MI
- Louisiana State University
- Loyola
- Michigan State
- Minnesota
- National Louis
- Northwestern
- Kellogg School of Management - Northwestern
- Northeastern Illinois
- Northern Illinois
- Notre Dame
- Ohio State
- Penn State
- Purdue
- Purdue-Calumet
- Robert Morris University
- Roosevelt University
- Southern Illinois
- Business.siu.edu
- Spertus
- University of Chicago
- University of Illinois in Chicago
- University of Illinois in Champaign Urbana
- University of Michigan
- Western Illinois
- Wisconsin
- Idealist.com

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**Date:** 10/24/2012

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 34

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Hairston requested information which departments were audited last year and a list of the audit findings. That information follows on the next page.

As always, please let me know if you have any further questions.

IGO Audits Published 10/2011-10/2012

Number of departments audited and list of their findings

**Summary List of Reports and Departments**

<b><u>Published in 2011</u></b>		
<b>Publication Date</b>	<b>Report Title</b>	<b>Department(s)</b>
3/31/2011	Chicago Department of Public Health--Central Pharmacy Warehouse Audit Follow-Up Report	CDPH
4/7/2011	Office of Emergency Management and Communications--Disbursements Audit	OEMC
4/28/2011	Department of Streets and Sanitation Bureau of Forestry--Tree Guarantee Audit	Streets & San
10/21/2011	Downtown Affordable Housing Density Bonus--Process Audit	DOB
<b>Total Reports: 4</b>		<b>Total Departments: 4</b>

<b><u>Published in 2012 (through 10/15/12)</u></b>		
<b>Publication Date</b>	<b>Report Title</b>	<b>Department(s)</b>
2/9/2012	Department of Business Affairs and Consumer Protection--Business License Process Audit	BACP
4/3/2012	Department of Family and Support Services--Grant Monitoring Audit	DFSS
6/16/2012	2010 Tax Increment Financing Expenditure Audit Follow-Up Report	DCD, DOF, OMB, DGS, Law, DPS
7/20/2012	2011 Downtown Affordable Housing Density Bonus--Process Audit Follow-Up Report	DHED
9/20/2012	Chicago Police Department Evidence and Recovered Property Section Audit	CPD
10/4/2012	Department of Water Management Inventory Process Audit	DWM
<b>Total Reports: 6</b>		<b>Total Departments: 11</b>

**List of Findings**

<b><u>Published in 2011</u></b>		
<b>Publication Date</b>	<b>Report Title</b>	<b>Department(s)</b>
3/31/2011	Chicago Department of Public Health--Central Pharmacy Warehouse Audit Follow-Up Report	CDPH
	<p><i>The following findings of the original report were followed-up:</i></p> <ol style="list-style-type: none"> <li>1. Finding 07-1: Failure to Track Vaccines, Controlled Substances, and Other Goods Received by the Warehouse               <ul style="list-style-type: none"> <li>o 07-1a: Items Obtained through Federal Grants or State Donations</li> <li>o 07-1b: Controlled Substances Led to Violation of DEA Regulations</li> </ul> </li> <li>2. Finding 07-2: Failure to Follow Basic Inventory Procedures Caused a Loss of At Least \$365,000, and Created an Increased Risk of Theft and/or Loss               <ul style="list-style-type: none"> <li>o 07-2a: Proper Reorder Points Were Not Maintained</li> <li>o 07-2b: Inventory Procedures Did Not Follow Inventory Best Practices</li> <li>o 07-2c: Inventory Reconciliation Was Not Performed</li> <li>o 07-2d: Failure to Properly Segregate Duties</li> </ul> </li> <li>3. Finding 07-3: Poor Physical Controls over Safeguarding of Inventory from Risk of Theft and/or Loss</li> <li>4. Finding 07-4: Lack of Fiscal Administration Section Oversight Caused Poor Tracking of Goods, Financial Records, and Refunds</li> <li>5. Finding 07-5: Written Policies and Procedures Were Not Complete, Current, or Reflective of City Inventory Policies</li> <li>6. Finding 07-6: Inadequate and Underutilized Computerized Inventory System</li> <li>7. Finding 07-7: No Written Contract with Vendor</li> </ol>	
4/7/2011	Office of Emergency Management and Communications--Disbursements Audit	OEMC
	<ol style="list-style-type: none"> <li>1. Finding 09-01: Voucher Manipulation</li> <li>2. Finding 09-02: Common Law Employees</li> <li>3. Finding 09-03: Missing Inventory</li> </ol>	
4/28/2011	Department of Streets and Sanitation Bureau of Forestry--Tree Guarantee Audit	Streets & San
	<ol style="list-style-type: none"> <li>1. Finding 10-01: Potential Lost Guarantees for the Audit Period Totaled \$481,641</li> <li>2. Finding 10-02: The Number of Trees Reported as Planted by the BOF Did not Reconcile With Supplier Invoices</li> </ol>	

	3. Finding 10-03: No Tree Guarantee Tracking Occurred for Over Three Years	
10/21/2011	Downtown Affordable Housing Density Bonus--Process Audit	DOB
	<ol style="list-style-type: none"> <li>1. Finding 08-01: Planned Development Projects Were Not Appropriately Reviewed for Ordinance Compliance</li> <li>2. Finding 08-02: A Training Issue Resulted in a Gap in Controls Related to Collection of DAHDB Payments and a Consequent Undercollection of Payments for One Development Project</li> <li>3. Finding 08-03: No Controls to Ensure Review Processes were Consistent between DHED and DOB and Comply with Ordinance</li> </ol>	

<b><u>Published in 2012 (through 10/15/12)</u></b>		
<b>Publication Date</b>	<b>Report Title</b>	<b>Department(s)</b>
2/9/2012	Department of Business Affairs and Consumer Protection--Business License Process Audit	BACP
	1. Finding 11-01: The Online Application System Is Not Being Utilized to Its Full Potential	
4/3/2012	Department of Family and Support Services--Grant Monitoring Audit	DFSS
	<ol style="list-style-type: none"> <li>1. Finding 1: DFSS Fiscal Monitoring Failed to Identify an Agency's Inadequate Segregation of Financial Duties</li> <li>2. Finding 2: DFSS Fiscal Monitoring Report Management Recommendations Should Have Been Elevated to Findings</li> <li>3. Finding 3: Lack of Timely Follow-Up on DFSS Fiscal Monitoring Report Findings</li> <li>4. Finding 4: Failure to Require Invoice from Vendor</li> <li>5. Finding 5: Voided Expenses Charged to Grant Program</li> </ol>	
6/16/2012	2010 Tax Increment Financing Expenditure Audit Follow-Up Report	DCD, DOF, OMB, DGS, Law, DPS
	<p><i>The following findings of the original report were followed-up:</i></p> <ol style="list-style-type: none"> <li>1. Over \$1.2 million in TIF funds were left unused at the Public Building Commission due to insufficient fund monitoring.</li> <li>2. Improper expenditures were charged to TIF districts due to weak or non-existent internal controls.</li> </ol> <p>Problems included:</p>	

	<ul style="list-style-type: none"> <li>• \$329,000 in public art ineligible per the TIF Act was purchased with TIF funds</li> <li>• the Job Order Contract process was manipulated to purchase items not shown on invoices</li> <li>• ineligible items such as flags, printers, and copier leases were charged to TIF districts</li> <li>• TIF funds were used for an ineligible “Skill Builders” job training program</li> </ul> <ol style="list-style-type: none"> <li>3. Over \$139,000 in contractor liquidated damages were not returned to TIF funds due to insufficient monitoring and to the City’s position that liquidated damages are legally considered to have lost any characterization as TIF funds.</li> <li>4. City employee salaries and overhead were inconsistently allocated to TIF funds due to a lack of uniform allocation policies and procedures.</li> <li>5. Fund transfers from one TIF district to another (“porting”) were not transparent due to a lack of public documentation about who makes porting decisions and how they are made.</li> </ol>	
7/20/2012	2011 Downtown Affordable Housing Density Bonus--Process Audit Follow-Up Report	DHED
	<p><i>The following findings of the original report were followed-up:</i></p> <ol style="list-style-type: none"> <li>1. Planned Development projects were not appropriately reviewed for compliance with ordinance. <ol style="list-style-type: none"> <li>a. Two, or 5% of projects sampled, had building permits issued without the required zoning review.</li> <li>b. We could not confirm proper zoning review for 12, or 31% of projects sampled. These projects were divided into subareas, and there was no documentation of review for 26 subareas.</li> </ol> </li> <li>2. A training issue resulted in a gap in controls related to collection of payments.</li> <li>3. There were no controls to ensure consistency in the overlapping review processes of DHED and the Department of Buildings (DOB) and that the review process fully complied with the Zoning Ordinance.</li> </ol>	

9/20/2012	Chicago Police Department Evidence and Recovered Property Section Audit	CPD
	<ol style="list-style-type: none"> <li>1. Finding 1: Inventory Could Not Be Located</li> <li>2. Finding 2: CPD 2005 Internal Audit Report Recommendations Were Not Implemented</li> <li>3. Finding 3: Police Directive Designed to Promote Timely Transfer of Evidence and Property to ERPS and Accurate Recordkeeping Was Not Being Followed</li> <li>4. Finding 4: Ventilation in Narcotics Storage Area Had Not Been Tested for Compliance with Industry Standards</li> </ol>	
10/4/2012	Department of Water Management Inventory Process Audit	DWM
	<ol style="list-style-type: none"> <li>1. Finding 1: 43% of Sampled Inventory Balances were Inaccurate</li> <li>2. Finding 2: Hydrant Cage Inventory Balance Overstated</li> <li>3. Finding 3: Gaps in Security Measures to Safeguard Inventory</li> <li>4. Finding 4: 2011 Year-end Inventory Balance Understated by at Least \$152,925</li> </ol>	

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**Ref ID :** 35

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The attached information is in response to questions posed at our department's hearing on 10/18/2012 to discuss the 2013 budget.

Alderman Hairston and Alderman Cardenas requested information on the number of City employees the IGO recommended for discipline, indicating whether the employee was a supervisor or not, by department.

In 2012, year to date, the IGO has recommended discipline for 21 employees (5 of whom resigned while under inquiry), 14 businesses or delegate agencies, and 6 supervisors (2 of whom are no longer with the City and 1 of whom resigned while under inquiry).

As always, please let me know if you have any further questions.